GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5203
ANSWERED ON:11.05.2007
TAX EVASION BY COMPANIES OF INDORE AND UJJAIN
Pandey Dr. Laxminarayan

Will the Minister of FINANCE be pleased to state:

(a) the number of industries in Indore and Ujjain in Madhya Pradesh paying their income tax and excise duties regularly to the Central Board of Direct Taxes and Central Excise for the last three years; and

(b) the number of industries amongst them against which cases of tax evasion are going on?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALAN1MANICKAM)

(a) As far as Central Board of Direct Taxes is concerned, under the Income Tax Act, 1961, industries/industrial establishment per se are not taxable entities; rather,persons such as individuals, companies, firms etc. owning such industries and earning income from various sources are required to pay income tax and file their income tax returns in accordance with the provisions of the Act- Hence, the information regarding the number of industries in Indore and Ujjain in Madhya Pradesh paying their income tax is not maintained.As far as Central Board of Excise and Customs is concerned, the information is being collected and will be laid on the Table of the House.

(b) Instances of evasion of income tax come to the notice of the Income tax Department during the course of searches, surveys, scrutiny and other enquiries carried out by it and appropriate action under the law is taken to tax the same. Such action, however, is taken in respect of persons found to be evading tax and not in respect of industrial establishments per se, as these are not taxable entities under the Act.As far as Central Board of Excise and Customs is concerned the information is being collected and will be laid on the Table of the House.